



**Minutes of Management team meetings
2019**

Minutes

Management Team

Tuesday 8 January 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

In attendance:

Gordon Smail, Audit Director, Performance Audit and Best Value
Paul O'Brien, Senior Manager, Professional Support
Stuart Dennis, Corporate Finance Manager

1. Minutes of meeting 18 December 2018

The draft minutes dated 18 December 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Professional Support update

Gordon Smail, Audit Director, Performance Audit and Best Value and Paul O'Brien, Senior Manager, Professional Support, joined the meeting.

Gordon Smail introduced the Professional Support update report, a copy of which had been previously circulated.

Gordon invited Management Team to consider the team's progress during 2018 and its priorities for 2019 which sought to drive improvement in audit quality, and welcomed any comments on the report for the Board's consideration at its meeting on 29 January 2019.

Management Team welcomed the report and discussed the responsiveness of Professional Support in the delivery of cross organisational support on financial, best value and performance audits during the past year. Management Team acknowledged the development of the team and commended them on their commitment and experience.

Following discussion, Management Team agreed that the report would be amended to include more about Professional Support's commitments and future developments including INTOSAI standards.

Action: Gordon Smail and Paul O'Brien to update the report for submission to the Board. (January 2019)

Gordon Smail and Paul O'Brien left the meeting.

3. Leased cars procurement

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the Leased Cars Procurement report, which had been previously circulated.

Stuart invited Management Team to consider and support the recommendation to award the Leased cars contract and agree the submission of a report to the Board to seek their approval to appoint the preferred supplier.

During detailed discussion, Management Team noted the contract had expired in August and due to non-compliant tenders we had had to undertake a second procurement round. Management Team also sought assurance on the joint evaluation with the Care Inspectorate on the procurement and Stuart confirmed there were no conflicts.

Following discussion, Management Team agreed to support the recommendation to the Board to approve the award of the contract. In addition, Management Team agreed the procurement process should be set out more clearly in the report to the Board and that it would be useful to review the lessons learned from the recent exercise to help inform the next procurement exercise.

Action: Stuart Dennis to submit a report to the Board seeking their approval to award the contract. (January 2019)

4. Draft agenda: Management Team 15 January 2019

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 15 January 2019.

5. Draft agenda: Board 29 January 2019

Management Team noted the draft agenda for the meeting of Audit Scotland's Board on Tuesday 29 January 2019.

6. Any other business

There was no further business discussed at the meeting.

7. Date of next meeting: 15 January 2019

The next meeting of Management Team would take place on Tuesday 15 January 2019.

Minutes

Management Team

Tuesday 15 January 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

In attendance:

Simon Ebbett, Communications Manager
Fiona Mitchell Knight, Audit Director, Audit Services
Gordon Smail, Audit Director, Performance Audit and Best Value
Paul O'Brien, Senior Manager, Professional Support
Stephen Boyle, Audit Director, Audit Services
Antony Clark, Audit Director, Performance Audit and Best Value
Rikki Young, Business Manager, Performance Audit and Best Value
Claire Sweeney, Audit Director, Performance Audit and Best Value
Fiona Diggle, Auditor, Performance Audit and Best Value

1. Minutes of meeting 8 January 2019

The draft minutes dated 18 December 2018 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Communications digest

Simon Ebbett, Communications Manager and Fiona Mitchell Knight, Audit Director joined the meeting.

Management Team welcomed Simon Ebbett to his first Management Team meeting in his role as Communications Manager.

Simon Ebbett introduced the Communications digest report, which had been previously circulated.

Simon invited Management Team to note the key external and internal communication issues during the month and highlighted current developments around Brexit and the forthcoming report schedule.

During discussion, Management Team agreed the report highlighted a busy year end period and welcomed the work of both the audit teams and communications during that time. Management Team also discussed the implications of the forthcoming Brexit vote, the importance of trust in public audit and quality.

Following discussion, Management Team welcomed the report.

3. Hotlist of emerging audit risks

Fiona Mitchell Knight introduced the Hotlist of emerging key risks report, a copy of which had been previously circulated.

Fiona invited Management Team to note the current significant audit risks identified and agree any changed to the watchlist and agree where any additional actions are required.

During detailed discussion, Management Team reflected on the impact of Brexit for public bodies including increased pressure on services and financial management, the new landfill tax and the impact on revenue and equal pay and pensions.

Following discussion, Management Team welcomed the report and discussion.

4. Review of regulator/Audit market study update

Gordon Smail, Audit Director and Paul O'Brien, Senior Manager joined the meeting.

Gordon Smail introduced the Review of regulator/Audit market study update report, a copy of which had been previously circulated.

Paul O'Brien invited Management Team to consider the summary of the recommendations from the CMA and Kingman Reviews and the potential wide ranging changes for the audit sector. In addition, Paul invited any comments on the report prior to its submission for the Board meeting on 29 January 2019.

During detailed discussion, Management Team welcomed the report and agreed further thinking was required around how we use the findings to inform next year's quality reporting.

Following discussion, Management Team agreed a number of changes to the report to bring clarity that the findings were more significant to audit in England but as part of Audit Scotland's commitment to Delivering world class audit we will consider these as part of our quality agenda.

Management Team welcomed the report and agreed the report should be added to the quality e-hub.

Action: Gordon Smail and Paul O'Brien to update the report for submission to the Board. (January 2019)

Simon Ebbett, Fiona Mitchell Knight, Gordon Smail and Paul O'Brien left the meeting.

5. Joint resourcing update

Stephen Boyle, Audit Director, Antony Clark, Audit Director and Rikki Young, Business Manager joined the meeting.

Stephen Boyle introduced the Resourcing our audit work in Audit Scotland presentation to Management Team, which had been previously circulated.

Stephen invited Management Team to consider where joint resourcing works well, areas to develop, what we can do and next steps to achieve a robust resourcing model across the organisation.

During detailed discussion, Management Team recognised the culture of supporting colleagues while managing business needs, noted where cross team working has worked well, the improvements already made to provide development opportunities for staff as part of CDG and our strong recruitment and attraction strategy.

Management Team noted the limited flexibility in the current resourcing model, the impact of leavers, the need for earlier consulting and planning and the potential of developing a single resource plan.

Following discussion, Management Team welcomed the report and agreed Stephen Boyle, Antony Clark and Rikki Young would explore options for managing resource more effectively through consultation with colleagues and return with proposals.

Action: Stephen Boyle, Antony Clark and Rikki Young to bring a further report to Management Team on options for managing resource. (May 2019)

Stephen Boyle, Antony Clark and Rikki Young left the meeting.

6. Audit Scotland 2019 Conference – verbal update

Claire Sweeney, Audit Director and Fiona Diggle, Auditor, joined the meeting.

Claire Sweeney provided a verbal update on the planning ahead of Audit Scotland's conference on Wednesday 30 January.

Fiona Diggle invited Management Team to note the panel sessions are finalised together with an update as to confirmed speakers for the day.

During detailed discussion, Management Team noted contingency plans were being developed with logistical arrangements well underway.

Management Team welcomed the update, recognising the work of the team to deliver the conference.

Claire Sweeney and Fiona Diggle left the meeting.

7. Draft agenda: Management Team 22 January 2019

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 22 January 2019.

8. Any other business

There was no further business discussed at the meeting.

9. Date of next meeting: 22 January 2019

The next meeting of Management Team would take place on Tuesday 22 January 2019.

Management Team

Tuesday 22 January 2018, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Lorna McEwan (Minutes)

In attendance:

David Blattman, Human Resources and Organisational Development Manager
Fiona Diggle, Auditor, Performance Audit and Best Value
John Gilchrist, Manager, Audit Quality and Appointments
Owen Smith, Senior Manager Audit Quality and Appointments
Mark Roberts, Senior Manager, Performance Audit and Best Value
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Paul Reilly, Secretary to the Accounts Commission

1. Minutes of meeting 15 January 2019

The draft minutes dated 15 January 2019 were considered and Management Team agreed that these were an accurate record of the meeting.

2. 2018/19 Year end statutory accounts timetable

Management Team considered the year end statutory accounts timetable which had previously been circulated and agreed to note the contents.

3. Best Companies survey results

David Blattman, Human Resources and Organisational Development Manager joined the meeting.

David Blattman introduced the Best Companies survey results, which had been previously circulated.

Management Team agreed to note the contents of the report, subject to minor amendment by David Blattman. Diane McGiffen would liaise with David on the best way to take forward the positive survey results.

Action: David Blattman to revise the report prior to submission to the Board on 29 January 2019.

Diane McGiffen to liaise with David Blattman on the best way to communicate the survey results with colleagues. (February 2019)

David Blattman left the meeting.

4. **Audit Scotland 2019 Conference - verbal update**

Fiona Diggle, Auditor, Performance Audit and Best Value joined the meeting.

Fiona Diggle informed Management Team that arrangements for the 2019 Conference were progressing well and final preparations were in hand.

A discussion followed on a Plan B, in the event of any speakers being unable to attend on the day.

Management Team welcomed the update, acknowledging the work of Fiona and the team to deliver the conference.

Fiona Diggle left the meeting.

5. **Audit appointment changes in Audit Services**

John Gilchrist, Manager and Owen Smith, Senior Manager joined the meeting.

John Gilchrist introduced the Audit appointment changes in Audit Services report, a copy of which had been previously circulated.

John invited Management Team to comment on the report and following discussion it was agreed that the format of wording would be simplified and circulated to the Auditor General for Scotland for approval.

Management Team agreed that going forward, further consideration would be given to the nature of audits subject to delegation.

Action: John Gilchrist and Owen Smith to revise the wording in the Audit appointment changes report and share with the Auditor General for Scotland for approval. (January 2019)

John Gilchrist and Owen Smith left the meeting.

6. **EU withdrawal – verbal update**

Mark Roberts, Senior Manager and Rebecca Seidel, Audit Manager of Performance Audit and Best Value joined the meeting.

Mark Roberts gave an update on our internal and external communications in respect of EU withdrawal. Management Team welcomed the reassurance of recent internal communications to our staff should a 'no-deal' exit transpire.

Management Team noted the recent EU updates at superteam meetings and the intention to share significant developments through blogs on ishare. Management Team also welcomed the suggestion of updating colleagues at the Brexit workshop at the staff conference.

Management Team welcomed the update.

Mark Roberts and Rebecca Seidel left the meeting.

7. **Draft agenda: Management Team 5 February 2019**

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 5 February 2019.

8. Draft agenda: Accounts Commission meeting 7 February 2019

Paul Reilly, Secretary to the Accounts Commission joined the meeting.

Management Team noted the proposed agenda for the Accounts Commission on Thursday 7 February 2019.

Paul Reilly left the meeting.

9. Draft agenda: Audit Committee 27 February 2019

Management Team noted the proposed agenda for the Audit Committee on Wednesday 27 February 2019.

10. Any other business

There was no further business discussed at the meeting.

11. Date of next meeting: 5 February 2019

The next meeting of Management Team would take place on Tuesday 5 February 2019.

Minutes

Management Team

Tuesday 5 February 2019, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Fraser McKinlay
Joy Webber (Minutes)

In attendance:

David Robertson, Digital Services Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Gayle Fitzpatrick, Corporate Governance Manager

1. Minutes of meeting 22 January 2019

The draft minutes dated 22 January 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to amendment.

Fraser McKinlay advised the Accounts Commission would consider the Drugs and alcohol report at its meeting in March 2019.

2. Confidential item

This item is subject to a separate confidential minute.

3. Digital security update

David Robertson, Digital Services Manager, Martin Walker, Associate Director, Corporate Performance and Risk and Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

David Robertson introduced the Digital security update report, a copy of which had been previously circulated.

David invited Management Team to note the latest security threats which were being actively monitored and managed.

During detailed discussion, Management Team reflected on the range and volume of threats to digital security and acknowledged the team's commitment and flexible working to keep systems protected. Management Team agreed that post recruitment it would be useful to take stock of the longer term and agreed ongoing communication with colleagues was important to ensure that they remain vigilant.

Following discussion, Management Team welcomed the report and David agreed to share this with colleagues.

Action: David Robertson to communicate with colleagues on the update to digital security. (February 2019)

4. Review of risk register

Martin Walker introduced the Review of risk register report, which had been previously circulated.

Martin invited Management Team to consider and discuss the proposed increases to the target score for Brexit, digital security and capacity.

During detailed discussion, Management Team considered the increased risk and potential implications of operating in a Brexit no deal environment. In addition, Management Team agreed a review of Audit Scotland's business continuity arrangements be undertaken to consider scenario planning. Management Team agreed the change to the target and net risk score to reflect.

In addition, Management Team agreed the increased risks for digital security, reflecting the discussion at item 3 together with the risk around capacity.

Following discussion, Management Team welcomed the report and discussion, and subject to the inclusion of additional actions, approved its submission to the Audit Committee for its consideration on 27 February 2019.

Action: A review of Audit Scotland's business continuity arrangements and scenario planning to be undertaken. (February 2019)

5. Risk interrogation: Innovation

Martin Walker introduced the Risk interrogation on Innovation report, a copy of which had been previously circulated.

Martin invited Management Team to review and comment on the risk interrogation and subject to any amendments, agree that it be submitted to the Audit Committee for its consideration on 27 February 2019.

Management Team welcomed the report which reflected the strategic commitment for organisational change and improvement while maintaining sound governance.

During discussion, Management Team considered whether our ambition impacted on capacity and resilience of colleagues, recognising that some areas are not developing quickly enough while accepting we are getting better at what we are doing in other areas.

Management Team noted the report captured a lot of innovation but agreed clarity of purpose and governance should be set out clearly together with the guiding principles of investment.

Following discussion, Management Team welcomed the report.

David Robertson left the meeting.

6. Internal audit

Internal audit recommendations progress report

Gayle Fitzpatrick introduced the Internal audit recommendations progress report, which had been previously circulated. Gayle invited Management Team to note the progress on the implementation of outstanding audit recommendations.

Management Team discussed the need to explain the partial status for the single time management system and in light of continued developments and ongoing project. Similarly, where an item is not due yet for completion state where we are on track to deliver.

Internal audit progress report 2018/19

Management Team considered BDO's Internal audit progress report 2018/19 and Martin advised that BDO will bring their draft internal annual audit plan for 2019/20 to Management Team on 26 February 2019.

Following discussion, Management Team welcomed the report.

Preparedness for new audit responsibilities

Management Team considered BDO's report on Audit Scotland preparedness for new audit responsibilities and welcomed the substantial assurance received. Management Team recognised the work of Gemma Diamond and the Social security audit team.

Cooperation between external and internal auditors

Management Team welcomed the report on the Cooperation between the external and internal auditors which forms part of Audit Scotland's assurance process.

7. Annual assurance and statement of control process 2019

Gayle Fitzpatrick introduced the Annual assurance and statement of control process 2019 report, which had been previously circulated.

Gayle invited Management Team to note the changes to the control process which would be reported to the Audit Committee at its meeting on 27 February 2019.

Management Team welcomed the comprehensiveness of the report and invited Gayle to consider whether there was potential to streamline any areas.

8. Data incident//loss

Gayle Fitzpatrick introduced the Data incident/loss report, a copy of which had been previously circulated.

Gayle invited Management Team to consider the two data incidents reported. Management Team agreed that references to which business groups incidents had occurred in could be removed.

Following discussion, Management Team noted the report.

Martin Walker and Gayle Fitzpatrick left the meeting.

9. Draft agenda: Management Team 12 February 2019

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 12 February 2019.

10. Draft agenda: Leadership Group 13 February 2019

Management Team noted the number of apologies received for the meeting and agreed other colleagues would welcome the time back. The date of the next meeting is 3 April 2019.

11. Any other business

Audit Scotland Conference 2019

Management Team considered the positive feedback received from colleagues and speakers about the conference and lunchtime breakout sessions and reflected on the use of Slido for other planned discussions.

Best Companies survey results

Management Team reflected on the Leadership Group session with Best Companies on 12 January 2019, discussed forthcoming communication and discussions with respective business groups and agreed to host future sessions to discuss key areas with colleagues. Diane McGiffen agreed to draft an initial communication to advise of planned review.

12. Date of next meeting: 12 February 2019

The next meeting of Management Team would take place on Tuesday 12 February 2019.

Note of discussion

Management Team

Tuesday 12 February 2019, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fraser McKinlay (Chair)
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Diane McGiffen
Caroline Gardner

In attendance:

Stuart Dennis, Corporate Finance Manager
Paul Reilly, Secretary to the Accounts Commission

1. Q3 Financial performance report

Stuart Dennis, Corporate Finance Manager, joined the meeting.

Stuart Dennis introduced the Q3 Financial performance report, a copy of which had been previously circulated.

Stuart invited Management Team to note the financial results for the nine months to 31 December 2018.

During detailed discussion, Management Team noted the current level of underspend £119k and the levels of in-house income and firms fee levels, staff costs and expenditure for travel and subsistence and property were under budget. In addition, Stuart Dennis advised of discussion with the actuary to assess the level of additional pension charges and early indications were positive and that discussions with budget leads were to be organised to keep budgets under review.

Following discussion, Management Team noted the report and agreed its submission to the Audit Committee for consideration on 27 February 2019.

Action(s): **Stuart Dennis to organise meetings with budget leads to keep budgets under review. (February 2019)**

Stuart Dennis left the meeting.

2. Draft agenda: Management Team 19 February 2019

Management Team noted the proposed agenda for the meeting of Management Team on Tuesday 19 February 2019.

3. Draft agenda: Accounts Commission Committee meetings 21 February 2019

Paul Reilly, Secretary to the Accounts Commission joined the meeting.

Paul Reilly introduced the draft agenda for the Accounts Commission Committee meetings on Thursday 21 February 2019.

Paul invited Management Team to note the proposed agendas.

Management Team discussed the risk monitoring report and the proposed areas of risk for the Accounts Commission. Following discussion, Paul Reilly agreed to share a copy of the draft report for consideration and comment.

Action: Paul Reilly to share a copy of the draft risk monitoring report for Management Team consideration and comment. (February 2019)

Paul Reilly left the meeting.

4. Any other business

There was no further business discussed at the meeting.

5. Date of next meeting: 19 February 2019

The next meeting of Management Team would take place on Tuesday 19 February 2019.

Minutes

Management Team

Tuesday 19 February 2019, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fiona Kordiak (Chair)
Caroline Gardner
Fraser McKinlay
Diane McGiffen (by telephone)
Joy Webber (Minutes)

Apologies:

Paul Reilly, Secretary to the Accounts Commission

In attendance:

Scott Peterson, BDO
Martin Walker, Associate Director, Corporate Performance and Risk
Gayle Fitzpatrick, Corporate Governance Manager
Gavin Byers, Application Developer
Ian Metcalfe, Corporate Governance Officer
Fiona Diggle, Auditor, Performance Audit and Best Value

1. Minutes of meeting:

The draft minutes dated 5 February 2019 were considered and Management Team agreed that these were an accurate record of the meeting.

The draft confidential minutes dated 5 February 2019 were also considered and Management Team agreed that these were an accurate record of their approval, subject to minor amendment.

The draft minutes dated 12 February 2019 were considered and Management Team noted that as the meeting was inquorate and no decisions were taken, that this was an accurate note of discussion which had taken place.

2. Internal audit work programme 2019/2020

Scott Peterson, BDO, Martin Walker, Associate Director, Corporate Performance and Risk and Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Scott Peterson, introduced the Internal audit work programme 2019/20 report, a copy of which had been previously circulated.

Scott invited Management Team to consider and comment on the proposed internal audit work plan for the forthcoming year which had been drafted taking account of governance, risks, internal controls and the risk register.

During detailed discussion, Management Team agreed the plan was well balanced and provided some flexibility. In considering the proposed areas for review, Management Team welcomed the review of recruitment and learning and development which linked to capacity which was an area of ongoing development.

Following discussion, Management Team agreed Fiona Kordiak would be the audit sponsor for the Professional Support review and subject to amendments to widen some of the scopes, Management Team approved the plan for submission to the Audit Committee for consideration at its meeting on 27 February 2019.

Scott Peterson left the meeting.

3. Performance Management Framework project update and proposals

Gavin Byers, Application Developer, Ian Metcalfe, Corporate Governance Officer and Fiona Diggle, Auditor, Performance Audit and Best Value, joined the meeting.

Martin Walker, Assistant Director, Corporate Performance and Risk, introduced the Performance Management Framework project update and proposals report, which had been previously circulated.

Martin invited Management Team to note the review of the project had highlighted the principles, vision and objective remained sound and invited Management Team to consider the proposals set out for the next stages of the project and consideration of the request for a project sponsor.

During detailed discussion, Management Team considered some of the key components, in particular time recording and the potential for an in-house product, developed and demonstrated by Gavin Byers. Management Team welcomed the demonstration and noted the intention to compare and contrast this option against external solutions.

Management Team discussed some of the key components and risks given the interdependencies of systems with Finance and HR and the capacity required to deliver the project.

Fraser McKinlay agreed to be the project sponsor until the project model and governance is developed.

Following discussion, Management Team welcomed the discussion and agreed Martin would return with a report on the overall business critical risks to the project.

Action: Martin Walker to report back on the overall business critical risks and proposed resource requirements for the project. (March 2019)

Gavin Byers, Ian Metcalfe and Fiona Diggle, left the meeting.

4. Operating environment and priorities 2019/20

Martin Walker, Associate Director, Corporate Performance and Risk introduced the Operating environment and priorities 2019/20 report, a copy of which had been previously circulated.

Martin invited Management Team to consider the presentation which set out Audit Scotland's strategic priorities and welcomed a discussion on the focus for the year ahead which will inform the refresh of this year's corporate plan.

During detailed discussion, Management Team considered the comprehensive capture of the external operating environment which reflected the public sector risk register and audit priorities and agreed areas around resource, quality and values were key areas for the year ahead. In addition, Management Team recognised that a number of priorities set out in the Corporate Plan have developed to the extent these are now considered part of our audit work and approach and agreed that some streamlining would be possible.

Following discussion, Management Team agreed the key areas of focus are people and quality.

Management Team welcomed the report and discussion.

Martin Walker and Gayle Fitzpatrick left the meeting.

5. Draft agenda: Accounts Commission meeting 7 March 2019

Management Team noted the proposed agenda for the Accounts Commission meeting 7 March 2019.

6. Draft agenda: Accounts Commission Strategy seminar 13/14 March 2019

Management Team noted the proposed agenda for the Accounts Commission Strategy seminar 13/14 March 2019.

7. Draft agenda: Audit Partners meeting 25 March 2019

Management Team discussed the proposed agenda for the Audit Partners meeting 25 March 2019.

8. Draft agenda: Management team 26 February 2019

Management Team noted the proposed agenda for the Management team meeting 26 February 2019.

9. Any other business

There was no further business discussed at the meeting.

10. Date of next meeting: 26 February 2019

The next meeting of Management Team would take place on Tuesday 26 February 2019.

Minutes

Management Team

Tuesday 26 February 2019, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Fraser McKinlay
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Caroline Gardner

In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Simon Ebbett, Communications Manager
John Gilchrist, Manager, Audit Quality and Appointments
Elaine Boyd, Associate Director, Audit Quality and Appointments (by telephone conference)
Fiona Daley, Adviser, Audit Quality and Appointments (by telephone conference)

1. Minutes of meeting 19 February 2019

The draft minutes dated 19 February 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. Q3 Corporate performance report

Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the Q3 Corporate performance report, a copy of which had been previously circulated.

Martin invited Management Team to note the overview of Audit Scotland's performance during the quarter.

During detailed discussion, Management Team noted the level of statutory reporting in the quarter, the anticipated increase during Q4 and the overall trend of delivering annual reports ahead of plan.

Management Team discussed the development of the Performance Management Framework which will support a number of actions and recognised that while the current status of the project means we are unable to state when this might be we do have sufficient data sources to provide the assurance required.

Following discussion, Management Team welcomed the social media statistics and agreed it would be useful to communicate with colleagues the need to capture external presentations on the impact log.

Action(s): **Martin Walker to share a communication with colleagues advising of the benefits of capturing external presentations. (March 2019)**

3. Q3 Becoming world class improvement report

Martin Walker introduced the Q3 Becoming world class improvement report, which had been previously circulated.

Martin invited Management Team to consider the progress reported to date on the improvement programme.

Management Team welcomed the progress made across the programme and noted the review underway which would come back to Management Team in March with options and proposals around prioritisation, risk profile, resource requirements and governance of the programme.

Management Team discussed digital as a key priority together with resourcing and organisational capacity.

Following discussion, Management welcomed the report.

4. Brexit Business Continuity

Rebecca Seidel, Audit Manager, Performance Audit and Best Value and Simon Ebbett, Communications Manager, joined the meeting.

Martin Walker introduced the No deal Brexit continuity planning presentation, which had been previously circulated.

Martin invited Management Team to consider Audit Scotland's preparedness and proposals for immediate actions, communications, Disaster management team practicalities, decision making and prioritisation in the various scenarios considered in the event of a No deal Brexit outcome.

During detailed discussion, Management Team agreed that this would be a standing item on the weekly agendas in order to monitor developments. In addition, Management Team agreed that early communication with colleagues was important to ensure awareness and also to encourage early engagement and preparation in checking contact details, access to systems and communication.

Turning to Audit Scotland's preparedness, Martin advised of work underway to provide assurance around financial management, digital capacity and security and buildings and security and Management Team discussed the potential implications on audited bodies, the audit work and the importance of developing a communication strategy for colleagues, audited bodies and stakeholders. Management Team agreed they would welcome clarity around the decision making process to flex timescales for undertaking or stopping audit work which would be considered further at next week's Management Team meeting.

Management Team welcomed the discussion.

Action(s): A further discussion on business continuity to be scheduled at next week's meeting. (5 March 2019)

Martin Walker, Rebecca Seidel and Simon Ebbett left the meeting.

5. Appointments and code outline – verbal update

John Gilchrist, Manager joined the meeting with Elaine Boyd, Associate Director and Fiona Daley, Advisor, Audit Quality and Appointments, joining the meeting by telephone conference.

John Gilchrist introduced a presentation on the Appointments and code outline, which had been previously circulated.

John invited Management Team to consider the review undertaken by the Audit Quality and Appointments team to inform the next procurement round and welcomed any comments on the project outcomes, proposed governance and management arrangements.

During detailed discussion, Management Team considered what has changed since the last procurement round including the devolved powers, the wider audit environment, more complex audit bodies and the uncertainty and impact of Brexit.

Management Team discussed the three proposed project streams comprising of the development of a single audit code, development of the procurement strategy and the tender and appointments exercise.

Taking the development of the code first, Management Team agreed consideration of the audit dimensions was required with early engagement with the Auditor General and the Accounts Commission. Early consultation would provide clarity on the scope of audit, which in turn informs the procurement and cost of audit. Management Team also recognised that it will be a different market under the Public Audit in Scotland regime so awareness of quality, cost, conflicts and risk were important factors to consider.

Management Team considered the proposal to establish a steering group and agreed the report to the Board should set out options for the governance and management arrangements for decision making, engagement and consultation for the projects.

Following discussion, Management Team welcomed the discussion which would inform the report scheduled to come to next week's meeting.

John Gilchrist, Elaine Boyd and Fiona Daley left the meeting.

6. Draft agenda: Management Team 5 March 2019

Management Team noted the proposed agenda for the meeting of Management Team Tuesday 5 March 2019.

7. Any other business

There was no further business discussed at the meeting.

8. Date of next meeting: 5 March 2019

The next meeting of Management Team would take place on Tuesday 5 March 2019.

Minutes

Management Team

Tuesday 12 March 2019, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Fiona Kordiak

In attendance:

Steve Murray, Corporate Accountant, Corporate Services
David Robertson, Digital Services Manager, Corporate Services
Martin Walker, Associate Director, Corporate Performance and Risk
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Simon Ebbett, Communications Manager, Corporate Services
Antony Clark, Audit Director, Performance Audit and Best Value
Stephen Boyle, Audit Director, Audit Services

1. Minutes of meeting 5 March 2019

Management Team agreed the draft minutes of the meeting on 5 March 2019 will be considered and approved by correspondence.

2. Confidential Item

This item is subject to confidential minute.

3. Confidential Item

This item is subject to confidential minute.

4. Strategic improvement programme 2019-2021

Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Martin Walker introduced the Strategic improvement programme 2019-2021 report, which had been previously circulated.

Martin invited Management Team to note progress on the programme overall. Consider and confirm the priority digitally enabled projects for 2019, consider the high level approach and resourcing for the EWP replacement project and discuss the governance arrangements for the overall programme.

Management Team welcomed the update and assurance that the majority of work is on track given the breadth of the overall programme and considered the key priorities together with the proposed timeline and scheduling for the digital enabled projects.

Turning to governance, Management Team discussed the role of the KITGG and the consideration of establishing a programme board. Martin agreed to consider and come back with an update on the governance arrangements for the programme in light of the decisions required to be taken by the end of April 2019 for the time recording options. Management Team noted the costs for this were included within the 2019/20 budget.

Management Team asked whether the current resourcing requirements were sufficient given the scale of the project and Martin advised they were due to the phased approach taken but subject to digital resourcing as discussed at item 3 of today's agenda.

In addition, Management Team agreed they would welcome sight of a communication plan to raise awareness with colleagues of the purpose and benefits of the forthcoming improvements.

Following discussion, Management Team welcomed the paper and agreed the overall priorities for the strategic improvement programme.

Action: Martin Walker to bring proposals on the governance of the programme. (March/April 2019)

5. **Brexit Business Continuity**

Rebecca Seidel, Audit Manager, Performance Audit and Best Value, Simon Ebbett, Communications Manager and Stephen Boyle, Audit Director, Audit Services, joined the meeting.

Martin Walker provided an update on developments and Rebecca Seidel advised Management Team of discussions with the Scottish Government regarding their preparations and readiness. In addition, Stephen Boyle advised of Scottish Parliament's preparedness and focus on key areas. Stephen also advised he was attending the Agricultural Funds Countries Conference in Belfast on 13 March 2019.

Turning to Audit Scotland's arrangements, Management Team welcomed the communication with colleagues advising of steps to take in preparation for potential disruption and Simon advised a further communication would be shared this week. Martin advised Digital Services had seen a spike in requests from colleagues for remote access with a further communication was planned.

Martin advised Management Team of developments underway in relation to the Comptroller function, the development of a communications plan for Audit Quality and Appointments team with audited bodies and audit firms and the establishment of an issues and intelligence log to capture any impact on audit work.

Management Team welcomed the discussion.

Action: Simon Ebbett to share further communication with colleagues this week. (March 2019)

Martin Walker, Rebecca Seidel and Simon Ebbett left the meeting.

6. **Scottish Government review of the Scottish Public Finance Manual (SPFM)**

Antony Clark, Audit Director, Performance Audit and Best Value, joined the meeting.

Antony Clark introduced the Scottish Government review of the Scottish Public Finance Manual (SPFM), a copy of which had been previously circulated.

Antony invited Management Team to note the work currently underway with the Scottish Government to review on the updating of the Scottish Public Finance Manual (SPFM).

During details discussion, Management Team agreed that it would be useful for the SPFM to be more user friendly and provide greater clarity given the importance of the guidance which is referred to as part of annual reporting, section 22 reports and given the potential for issues arising in light of the EU withdrawal.

Management Team noted the SPFM is approved by Scottish Ministers and will be a useful tool when considering the new code of audit practice.

Following discussion, Management Team welcomed the report.

Antony Clark and Stephen Boyle left the meeting.

7. Management Team planning discussion

Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Martin Walker invited Management Team to note that agenda planners for corporate forums are in place for the next 12 months and welcomed a discussion around the timings and purpose for future themed discussions at Management Team.

Management Team agreed early discussions should be scheduled for a people focussed discussion (to include capacity, workforce planning, learning and development and feedback following the Best Companies survey), and digital audit strategy (to include digital auditing, Govtech, click project, data warehouse and analytics). Management Team acknowledged that the business considered by Management Team was dominated by corporate reporting and agreed it would be helpful to consider ways to hear more about the range of developments underway across the business groups.

Management Team welcomed the discussion.

Martin Walker left the meeting.

8. Draft agenda: Management Team 19 March 2019

Management Team noted the proposed agenda for the meeting of management Team 19 March 2019.

9. Any other business

David Blattman, HR & ID Manager, joined the meeting.

David Blattman provided a verbal update on the pay discussions with PCS. Management Team noted the Remuneration and Human Resources Committee (Remco) meet on Monday 18 March 2019 and will consider a report which seeks their approval to make a formal pay offer to PCS. David Blattman advised of the potential drawdown on the Management Contingency if this offer is approved by Remco. Following discussion, Management Team approved the drawdown from the Management Contingency budget if required.

10. Date of next meeting: 19 March 2019

The next meeting of Management Team would take place on 19 March 2019.

Minutes

Management Team

Tuesday 19 March 2019, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fraser McKinlay
Joy Webber (Minutes)

Apologies:

Fiona Kordiak

In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Simon Ebbett, Communications Manager, Corporate Services

1. Minutes of meeting 12 March 2019

Management Team agreed the draft minutes of the meeting on 12 March 2019 were an accurate record of discussions.

2. Brexit Business Continuity

Simon Ebbett, Communications Manager and Martin Walker, Associate Director, Corporate Performance and Risk, joined the meeting.

Martin Walker and Simon Ebbett provided a verbal update on developments over the past week, including the assurance provided to the Board at its meeting on Monday 18 March around Audit Scotland's business continuity arrangements.

During detailed discussion, Management Team noted the recent communication to colleagues and the increase in requests for digital services support to enable remote working and sign up to the communication channel. Management Team discussed the next internal communication and welcomed the engagement by the Audit Quality and Appointments team with the audit firms.

Martin advised Management Team that Digital Services will be setting up the secured Disaster Management Team communication channel and will liaise directly with members to enable access.

Management Team thanked the team for their continued input and support.

Action: David Robertson to set up the secured channel for the Disaster Management Team. (March 2019)

Simon Ebbett and Martin Walker left the meeting.

3. Draft agenda: Management Team 19 March 2019

Management Team noted the proposed agenda for the meeting of management Team 19 March 2019.

4. Draft agenda: Leadership Group 3 April 2019

Fraser McKinlay advised of the proposed outline for the forthcoming Leadership Group meeting. Management Team reflected on the areas identified in previous sessions including professional development, Best Companies feedback and following discussion Fraser agreed to bring a further update to Management Team next week.

5. Any other business

Accounts Commission Strategy Session

Fraser McKinlay provided a verbal summary of discussions at the recent Accounts Commission Strategy session which had taken place on 12 and 13 March which included discussion on performance audit, the future of Best Value in councils and integrated joint boards, risk and resources. Fraser also advised that the members had expressed their recognition and appreciation of the quality of the audit work produced for the Accounts Commission.

Audit Scotland Board

Caroline Gardner provided an overview of the business considered at the Board meeting on Monday 18 March, including the Chair's report of discussions with the Scottish Commission of Public Audit on future member recruitment.

6. Date of next meeting: 19 March 2019

The next meeting of Management Team would take place on 26 March 2019.

Minutes

Management Team

Tuesday 26 March 2019, 10.00am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fraser McKinlay
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Claire Sweeney, Audit Director, Performance Audit and Best Value

In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Simon Ebbett, Communications Manager, Corporate Services
Fiona Diggle, Auditor, Performance Audit and Best Value
Paul Reilly, Secretary to the Accounts Commission, Corporate Services

1. Minutes of meeting 19 March 2019

The draft minutes dated 19 March 2019 were considered and Management Team agreed that these were an accurate record of the meeting.

2. Brexit Business Continuity

Martin Walker, Associate Director, Corporate Performance and Risk and Rebecca Seidel, Audit Manager, Performance Audit and Best Value, joined the meeting.

Rebecca Seidel provided a verbal update reflecting on the developments in Westminster and noting if an extension is not forthcoming from the EU then the UK will withdraw on 12 April 2019.

Martin Walker advised Management Team that nearly all colleagues were now signed up to the business continuity communication channel and that setup and testing was underway for DMT.

Management Team welcomed the discussion and the update on developments.

Rebecca Seidel left the meeting.

3. Corporate Plan refresh

Martin Walker introduced the Corporate plan refresh Report, which had been previously circulated.

Martin invited Management Team to consider the draft 2019/20 Corporate plan update and welcomed any comments on the structure, key messages or content of the report.

During detailed discussion, Management Team welcomed the sharper focus and update to the organisational priorities of Being a world class organisation and Delivering world class audit and agree

that the objectives and priorities in each section should be grouped where possible. Management Team suggested some structural changes and enhanced references to financial sustainability, strategic improvement programme, critical digital developments, the refreshed communications and engagement strategy as well as the audit priorities and outputs. Management Team agreed they would like to see some narrative to explain why there is a focus on these areas this year.

Martin Walker thanked Management Team for their comments which he would reflect and share an updated draft prior to submission to the Board for its consideration on 1 May 2019.

Martin Walker left the meeting.

4. **Impact Conference 2018 – one year on**

Fraser McKinlay introduced the report on the Impact Conference 2018 – one year on, a copy of which had been previously circulated.

Fraser McKinlay invited Management Team to note the considerable value gained from attending the 2018 Impact Conference in Sydney.

During detailed discussion, Management Team reflected on the benefits which included the broadening of our network, the learning and sharing of best practice, the promotion of Audit Scotland on an international stage and the opportunities that have arisen resulting in specific activities including the establishment of the Performance Audit Forum in the UK and Ireland which provides useful learning and further collaboration across the agencies.

Management Team discussed some of the specific outcomes including the working group on shorter reporting, the newly established Performance Audit Forum and in particular the work flowing from that on a peer review process on performance audit reports which Sarah Pollock is leading on. Fraser agreed to bring an update report on those areas to Management Team.

Following discussion, Management Team welcomed the report.

Action: Fraser McKinlay to bring an update report on developments from the shorter reporting working group and the newly established UK and Ireland Performance Audit Forum. (June 2019)

5. **Shared Risk Assessment**

In Claire Sweeney's absence, Fraser McKinlay provided a verbal update on the Shared Risk Assessment report which is due to be considered by the Accounts Commission at its meeting on 11 April 2019.

Fraser McKinlay advised that following consultation with the LAN leads Claire Sweeney had been consulting on the approach to the shared risk assessment to deliver effective scrutiny and it is anticipated that a proposed new approach will come into effect from 2020. Fraser advised that the report was still to be finalised and a copy of this would be shared with Management Team.

Management Team discussed the value of engagement with the scrutiny bodies to develop the new approach.

Action: Fraser McKinlay to circulate a copy of the Shared Risk Assessment report going to the Accounts Commission with Management Team. (March 2019)

6. **2019 Audit Scotland conference feedback**

Fiona Diggle, Auditor, Performance Audit and Best Value joined the meeting.

Fiona Diggle introduced the 2019 Audit Scotland conference feedback report and presentation, copies of which had been previously circulated.

Fiona invited Management Team to consider the feedback received following the conference on 29 January 2019 and consider the ideas presented for the 2020 Audit Scotland Conference.

During detailed discussion, Management Team reflected on the overall success of this year's conference and extended their thanks and appreciation to the team involved. Looking ahead to next year's conference, Management Team agreed that the timing, location and venue were key factors to explore together with early consideration of the structure and theme.

Management Team agreed external assistance should be considered in securing the right venue and agreed that a format to support more colleague interaction and engagement would be welcomed. Management Team also discussed potential speakers and project lead role.

Following discussion, Management Team welcomed the early engagement and Fiona advised a further report will follow once the conference team had had an opportunity to consider a proposed theme and outline for next year's conference.

Fiona Diggle left the meeting.

7. Draft agenda: Management Team 2 April 2019

Management Team noted the proposed agenda for the meeting of Management Team on 2 April 2019.

8. Draft agenda: Leadership Group 3 April 2019

Management Team noted the proposed agenda for the meeting of Leadership Group on 3 April 2019 and following discussion Fraser McKinlay agreed to circulate the agreed agenda to colleagues.

9. Draft agenda: Accounts Commission 11 April 2019

Paul Reilly, Secretary to the Accounts Commission, joined the meeting.

Management Team noted the proposed agenda for the meeting of Accounts Commission 11 April 2019.

Paul Reilly left the meeting.

10. Draft agenda: Board 1 May 2019

Management Team noted the proposed agenda for the meeting of the Board on 1 May 2019.

11. Any other business

There was no further business discussed at the meeting.

12. Date of next meeting: 2 April 2019

The next meeting of Management Team would take place on 2 April 2019.

Minutes

Management Team

Tuesday 2 April 2019, 9.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Diane McGiffen (Chair)
Caroline Gardner
Fiona Kordiak
Joy Webber (Minutes)

Apologies:

Fraser McKinlay

In attendance:

Stuart Dennis, Corporate Finance Manager
Nicola Paton, PMO Analyst, Digital Services
David Robertson, Digital Services Manager
Gayle Fitzpatrick, Corporate Governance Manager
Martin Walker, Associate Director, Corporate Performance and Risk
Rebecca Seidel, Audit Manager, Performance Audit and Best Value
Simon Ebbett, Communications Manager, Corporate Services
Mark Taylor, Audit Director, Audit Services
Gillian Woolman, Audit Director, Audit Services
Claire Richards, Senior Auditor, Performance Audit and Best Value
Richard Robinson, Senior Manager, Performance Audit and Best Value
Paul Reilly, Secretary to the Accounts Commission, Corporate Services

1. Minutes of meeting 26 March 2019

The draft minutes dated 26 March 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendment.

2. 2018/19 Accounting policies, key accounting estimates and judgements

Stuart Dennis, Corporate Finance Manager, Corporate Services joined the meeting,

Stuart Dennis introduced the 2018/19 Accounting policies, key accounting estimates and judgement papers, which had been previously circulated.

Stuart invited Management Team to approve the submission of the 2018/19 Accounting policies, key accounting estimates and judgements to the Board meeting on 1 May 2019.

Management Team discussed the two changes to the new accounting standards relating to IFRS 16 – Leases which comes into effect on 1 April 2020 and an update to IFRS 15 in relation to operating income.

Following discussion, Stuart advised he will seek Professional Support's assessment on IFRS 16 prior to submission of the report to the Board.

Action: Stuart Dennis to liaise with Professional prior to submitting the report to the Board. (April 2019)

Stuart Dennis left the meeting.

3. 2018/19 Annual review information security management policy

Nicola Paton, PMO Analyst, Digital Services, Martin Walker, Associate Director, Corporate Performance and Risk, and Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Nicola Paton introduced the report on the 2018/19 Annual review information security management policy, which had been previously circulated.

Nicola invited Management Team to approve the policy to be submitted to the Board. Nicola highlighted the minor changes made to the policy to better demonstrate leadership and management of information security. Martin advised this appears as a standing item on the agenda for KITGG and is reported on regularly to the Audit Committee.

Diane McGiffen highlighted the cyber security update meeting she has every month with David Robertson, Digital Services Manager which should be included in the supporting information for demonstrating leadership and management engagement.

Following discussion, Management Team approved the policy for submission to the Board for its consideration on 1 May 2019.

Action: Nicola Paton to reflect the additional leadership and management activity in the report to be submitted to the Board. (April 2019)

Nicola Paton left the meeting.

4. Annual assurance and statement of control

Gayle Fitzpatrick, Corporate Governance Manager, Governance, Corporate Services and Ian Metcalfe, Corporate Performance Officer, Corporate Service joined the meeting.

Gayle Fitzpatrick introduced the Annual assurance and statement of control report and the supporting documentation, a copy of which was previously circulated.

Gayle advised Management Team of the annual review which considered the internal control reports from each of Audit Scotland's business groups. Gayle invited Management Team to advise of any issues which should be drawn to the attention of the Audit Committee or Audit Scotland Board.

During discussion, Management Team acknowledged there were no significant issues uncovered in the review process and acknowledged the assurance provided to the Accountable Officer. Caroline Gardner welcomed the quality of assurance provided. Gayle advised Management Team that discussions were underway to refresh the process.

Management Team welcomed the report and agreed Diane McGiffen submit a certificate of assurance to the Audit Committee and Board as part of the annual assurance process.

Action: Diane McGiffen to submit a certificate of assurance to the Audit Committee and Board. (May 2019)

Gayle Fitzpatrick left the meeting.

5. Brexit Business Continuity

Rebecca Seidel, Audit Manager, Performance Audit and Best Value and Simon Ebbett, Communications Manager, Corporate Services joined the meeting.

Simon Ebbett provided an update on the latest information on external activity and the outcome of voting at Westminster.

Martin Walker provided an update on internal communications, colleague sign up to the dedicated communication channel and the proposed DMT testing.

Rebecca Seidel advised of ongoing communication with the other UK audit agencies.

Management Team welcomed the discussion.

Martin Walker and Simon Ebbett left the meeting.

6. Audit and Accountability framework update

Mark Taylor, Audit Director, Audit Services joined the meeting.

Mark Taylor introduced the Audit and Accountability framework update Board report, a copy of which had been previously circulated.

Mark invited Management Team to note the Board report provides an update on the implications of the Audit and Accountability framework for devolved matters by the UK and Scottish Governments.

Management Team noted that arrangements for Social Security are well advanced. Mark advised that the financial audit has highlighted issues around some of the complexities in the approach but all parties are committed and correspondence is planned to seek assurance on specific areas. Mark also advised of the forthcoming review of the Memorandum of Understanding and the opportunities to broaden that out.

Management Team agreed they would welcome assurance on Social Security arrangements together with details of any implications for other audit work, an update on the timetable for the Memorandum of Understanding and impact on future skills and resources required.

Following discussion, Management Team welcomed the update report to the Board.

Action: Mark Taylor to bring a report on the Social Security arrangements and implication for audit work. (May 2019)

Mark Taylor and Rebecca Seidel left the meeting.

7. Update on Equality outcomes and mainstreaming

Gillian Woolman, Audit Director, Audit Services, Claire Richards, Senior Auditor and Richard Robinson, Senior Manager, Performance Audit and Best Value, joined the meeting.

Gillian Woolman introduced the Update on equality outcomes and mainstreaming report and the supporting documentation, which had been previously circulated.

Gillian invited Management Team to consider and approve the addition of a new outcome and approve the Mainstreaming Equality and Equality Outcomes Progress Report 2017-19 report for submission to the Accounts Commission on 11 April 2019 and Audit Scotland Board on 1 May 2019.

Management Team welcomed the new developments reported including the establishment of two short-life working groups to develop the Equality and Human Rights Steering Group's thinking around outcomes which are cognisant with our new audit responsibilities and the introduction of new members to the team.

Management Team discussed the good progress reflected in the report and agreed they would like to see examples where diversity and equality is demonstrated in our audit work referenced in the report.

Management Team approved the addition of the new outcome agreeing it should align with the other two outcomes and recognised the need to assess resource requirements and build capacity to continue to drive work in this area.

Following detailed discussion, Management Team proposed some further changes to the content and structure of the report and subject to those approved it for submission to the Accounts Commission and the Audit Scotland Board.

Gillian Woolman, Claire Richards and Richard Robinson left the meeting.

8. Draft agenda: Management Team 9 April 2019

Management Team noted the proposed agenda for the meeting of Management Team on 9 April 2019.

9. Draft agenda: Audit Committee 22 May 2019

Management Team noted the proposed agenda for the meeting of Audit Committee on 22 May 2019.

10. Draft agenda: Remuneration and Human Resources Committee 22 May 2019

Management Team noted the proposed agenda for the meeting of Remuneration and Human Resources Committee on 22 May 2019.

11. Draft agenda: Accounts Commission Committee meetings: 25 April 2019

Management Team noted the proposed agenda for the meeting of Accounts Commission on 25 April 2019.

12. Any other business

There was no further business discussed at the meeting.

13. Date of next meeting: 9 April 2019

The next meeting of Management Team would take place on 9 April 2019.

Minutes

Management Team

Tuesday 9 April 2019, 09.30am

Audit Scotland offices, 102 West Port, Edinburgh EH3 9DN

Present:

Fiona Kordiak (Chair)
Fraser McKinlay
Caroline Gardner
Joy Webber (Minutes)

Apologies:

Diane McGiffen.

In attendance:

Martin Walker, Associate Director, Corporate Performance and Risk
Mark Roberts, Senior Audit Manager, Performance Audit and Best Value
Gayle Fitzpatrick, Corporate Governance Manager, Governance, Corporate Services
Elaine Boyd, Associate Director, Corporate services
Owen Smith, Senior Manager, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments

1. Minutes of meeting 2 April 2019

The draft minutes dated 2 April 2019 were considered and Management Team agreed that these were an accurate record of the meeting, subject to minor amendments.

2. Brexit Business Continuity

Martin Walker, Associate Director, Corporate Performance and Risk, Mark Roberts, Senior Audit Manager, Performance Audit and Best Value and Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

Mark Roberts invited Management Team to note the recent developments which were expected to lead to an extension to the UK withdrawal from the EU.

Martin provided an update on interactions with the other UK and Ireland audit agencies and the proposal of a further test with Audit Scotland's Disaster Management Team.

Management Team reflected on developments and were assured by both the internal arrangements in place and the commitment of colleagues to sign up to the specific communication channels.

Following discussion, Management Team welcomed the update and thanked the team.

Mark Roberts left the meeting.

3. Data protection policy

Gayle Fitzpatrick introduced the GDPR policy update report and the Data Protection policy, which had been previously circulated.

Gayle invited Management Team to review and recommend the updated data protection policy to the Board for approval at its meeting on 1 May 2019.

During discussion, Management Team noted the policy had been updated to incorporate 17 areas of guidance issued in the past year.

Management Team welcomed the updated policy and agreed to recommend it to the Board for approval, subject to inclusion of paragraph references to key changes for the ease of members' review.

In addition, Management Team agreed the updated policy be shared with colleagues as a useful reminder on the practical implications for audit.

Action: Gayle Fitzpatrick to communicate the Data Protection Policy with colleagues once this has been approved by the Board. (May 2019)

4. **SPSO Memorandum of Understanding**

Gayle Fitzpatrick introduced the SPSO Memorandum of Understanding report which had been previously circulated.

Gayle invited Management Team to note the review and update on the status of our Memorandum of Understanding (MoU) with the Scottish Public Services Ombudsman (SPSO).

During detailed discussion, Management Team considered the SPSO's change of approach to MoU's and their proposal to enter into information sharing agreements.

Following discussion, Management Team agreed with the proposal that Audit Scotland retain the current MoU until the SPSO's new arrangements are in place. Management Team invited Gayle to liaise with Claire Sweeney about our involvement in the Open Government Partnership which is also looking at the relationships between audit, inspection and regulation agencies.

Management Team welcomed the report and agreed with the proposal to review all of Audit Scotland's MoUs with a report to come later in the year.

Action: Gayle Fitzpatrick to report on Audit Scotland's existing MoUs. (June 2019)

Martin Walker and Gayle Fitzpatrick left the meeting.

5. **Q3/Q4 Audit Quality update report**

Elaine Boyd, Associate Director, Owen Smith, Senior Manager and John Gilchrist, Manager, Audit Quality and Appointments, joined the meeting.

Elaine Boyd introduced the Q3/Q4 Audit Quality update report, which had been previously circulated.

Elaine invited Management Team to consider the results of the work carried out to monitor the quality of audit across all audit providers between October 2018 and March 2019.. Elaine also invited Management Team to consider a proposed change in the way we currently report audit quality.

Taking the Q3/Q4 Audit Quality report and during detailed discussion, Management Team welcomed the assurance provided on the strong evidence of compliance with the Code of Audit Practice and auditing standards and noted the areas for improvement.

Management Team agreed it was strong report and welcomed the assurance it provided.

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Management Team discussed the follow up actions to be taken in response to the areas for improvement highlighted in the report.

Turning to the proposal to change responsibility for preparing the 2019/20 Audit Scotland Annual Quality report, Management Team welcomed the development of an Audit Scotland annual quality report. However, Management Team agreed the AQA annual report required to remain as an independent report separate from the business groups as it forms part of the independent reporting on audit quality which is published and covers all audit providers. Management Team acknowledged that the Q3/Q4 is largely duplicated in the annual report and agreed it would be beneficial to remove this step in future years.

Following discussion, Management Team welcomed the report.

Elaine Boyd, Owen Smith and John Gilchrist left the meeting.

6. Draft agenda: Management Team 16 April 2019

Management Team noted the proposed agenda for the meeting of Management Team on 16 April 2019 and following discussion agreed the items would be rescheduled to the meeting on 23 April 2018.

7. Any other business

Fraser McKinlay provided a verbal update on resources and would welcome an early discussion on the recruitment of an Audit Director.

8. Date of next meeting: 16 April 2019

The next meeting of Management Team would take place on 23 April 2019.